



Meeting Date: September 6, 2022

## AGENDA MEMORANDUM

**To:** Honorable Mayor and Members of Town Council

**Through:** Dave Corliss, Town Manager

**From:** Tara Vargish, P.E., Director, Development Services

**Title:** **Ordinance No. 2022-0018: An Ordinance Approving the Dawson Trails Development Agreement; and Vesting a Site Specific Development Plan Through October 6, 2052 (2<sup>nd</sup> Reading)**

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### Executive Summary

Town Council held a public hearing on Tuesday, August 16, 2022 to consider the proposed Dawson Trails Development Agreement (DA) and Vesting of the Site Specific Development Plan through October 6, 2052 on 1<sup>st</sup> reading. Council voted 7-0 to approve the DA with vesting, as presented.

### Background

Dawson Trails I, LLC, Dawson Trails II, LLC, Dawson Trails Metropolitan District Nos. 1-5 and Westfield Trade Center Metropolitan Districts Nos. 1 and 2 (the Parties) are requesting to enter into a Development Agreement (DA) with the Town for property known as Dawson Trails that is located west of Interstate 25 and north and south of Territorial Road (Figure 1). In addition, the Parties are requesting vested property rights.

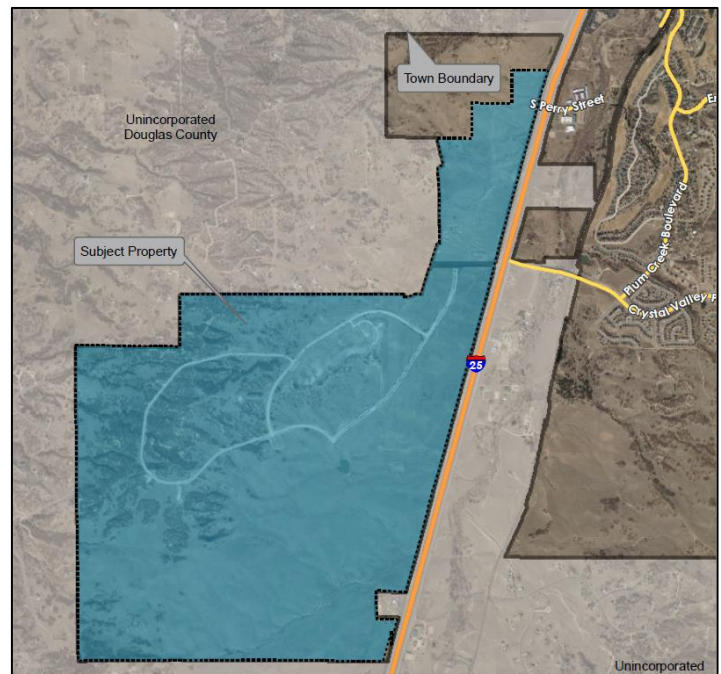


Figure 1: Site Vicinity Map

The property is currently under consideration for a Planned Development (PD) rezoning under a separate land use application. If the Dawson Trails Planned Development Plan and Zoning Regulations are approved, the Parties must enter into a Development

Agreement with the Town to define the obligations of the property owners and the Town relative to the development of the property.

A DA is a legally binding contract between the property owners and the Town that requires public hearings before Town Council who shall review and make a decision upon the proposed DA.

### **Proposed Development Agreement**

The Dawson Trails Development Agreement addresses infrastructure improvements, development phasing, open space conveyances, water rights conveyances, Town service obligations and other relevant items (Attachment A). These obligations are intended to be mutually beneficial as well as enhance public health, safety and welfare. Some of the key components of the DA are briefly summarized below.

#### **Vested Property Rights**

This Planned Development Plan, inclusive of the embedded PD Zoning Regulations, constitutes a site specific development plan pursuant to Chapter 17.08 of the Castle Rock Municipal Code and §24-68-101, *et seq.*, C.R.S. The applicant has requested vested property rights, which assures the right to undertake and complete the development and use of the property subject to approved Planned Development Plan. A vesting period of 30 years, through October 6, 2052, is proposed in the DA. Included in the DA is the option to extend the vesting period once for a period of 10 years, upon Town Council approval.

#### **Water Rights Conveyance**

The Master Developer has provided the Town title opinion from a qualified Colorado attorney that the Owner owns the groundwater rights and upon conveyance to the Town by special warranty deed, the Town will have good and marketable title to the groundwater rights. The Town is in the process of assessing the groundwater rights with respect to the title opinion. Once the Town accepts and concurs with the title opinion, the Town shall accept conveyance of the groundwater rights.

Under the Town regulations, groundwater rights are converted in development entitlements referred to as "Water Credit". The Water Credit is expressed as a single-family equivalent (SFE), which is the measure of average annual wholesale water production necessary to meet the demand from a single-family residence.

The title opinion that is currently being assessed is for 2,290.35 acre feet of groundwater rights, of which 2,032.24 acre feet has been adjudicated, which equates to 1,668.31 SFE. The Master Developer will adjudicate the remainder of the unadjudicated water rights and may receive additional water credits to the Dawson Trails Water Bank.

At no time will the property be platted into developable lots, unless the available water credits have been accepted by the Town.

### Water Efficiency Plan

A Water Efficiency Plan (WEP) has been developed for Dawson Trails and shall be implemented by the owner for all development within the PD. The Dawson Trails WEP will be the most stringent WEP implemented in the Town to date. Coloradoscape xeric landscaping, but no irrigated turf will be allowed in residential front yards, and only 500 square feet of irrigated turf will be allowed in the backyards, regardless of the lot size. Irrigated turf will be prohibited in commercial, retail and office developments and will be permitted in multifamily developments only where outdoor amenities are planned, such as picnic areas.

The Water Efficiency Plan will be incorporated into all conveyance documents for the property, private covenants and restrictions. All residential and non-residential development is subject to the requirements of shall be required to implement and follow the Water Efficiency Plan requirements.

### Water, Wastewater and Stormwater

- **Removal of Existing Infrastructure:** The Master Developer shall remove any existing onsite or offsite water, wastewater and drainage infrastructure previously built to support the development of the property. All existing wells must be removed and abandoned in accordance with the rules of the State Engineer's Office.
- **Water System Improvements:** The Master Developer shall, at its sole expense, design and construct the necessary water infrastructure to serve the development. Water system improvements may include water storage tanks, pump stations, back-up power source, distribution pipes, valves and related appurtenances.

In the event that a Green Zone water storage tank is necessary to serve the development, and such tank is to be located outside of the Town's jurisdictional boundaries, the Master Developer shall be responsible for acquiring the land and any easements required to construct the tank and any associated transmission lines. If it is determined that a Green Zone Tank is needed, except for roadway connectivity and associated infrastructure as expressly set forth in the PDP, Plat, SIA or SDP, no overlot grading permits for residential development within the area to be served by the Green Zone Tank will be issued until such time as the Master Developer acquires the necessary land for the potential Green Zone Tank and associated transmission line(s) and begins construction of the Green Zone Tank.

- **Wastewater System:** The Master Developer shall, at its sole expense, design and construct the necessary onsite and offsite wastewater improvements required to serve the property, with the exception of the Plum Creek Sanitary Sewer Interceptor line. The Town is responsible for replacing or funding the replacement of the missing segment of the Plum Creek Parkway Sanitary Sewer Interceptor in a manner as to not cause unreasonable delay in the development of the Project.

The Master Developer shall replace any offsite wastewater mains and sanitary sewer lines that require upsizing which shall be determined through the final utility reports. Concurrently with, and as a condition to recordation of the first Plat on the Property, Master Developer shall pay to the Town \$300,000.00, which is its proportional share (80%) of the cost for the Town-completed upsizing of the Malibu Sewer Interceptor. Additionally, it is estimated that the Project will contribute eighty percent (80%) of the wastewater flow to the Prairie Hawk Interceptor. The final contribution percentage will be reviewed and confirmed at the time construction of the Prairie Hawk Interceptor is scheduled to begin.

- Drainageway Improvements: Master Developer shall be responsible for preserving and fully stabilizing all major drainageways within the Project boundaries having a watershed area greater than 130 acres, in accordance with Town Regulations. The Drainageway Improvements shall be constructed and completed concurrently with any adjacent subdivision improvements and as part of the Public Improvements necessary to serve the Property.
- Town Service Obligations: The Town has the obligation to construct, acquire or otherwise develop raw water production, treatment and storage and wastewater treatment of sufficient capacity to serve the property through full build out.

#### Transportation Improvements

- Fire Apparatus Access Roads: Fire apparatus access roads shall be completed throughout phasing of the Project at intervals that are appropriate to meet the required amount of access points for the level of development that is being constructed. The Town will allow for at-grade and below-grade construction work to occur onsite with the current at-grade railroad crossing or similar approved fire apparatus access. No vertical building construction will be allowed, except for the Costco building site, without a Town approved grade-separated railroad crossing for a fire apparatus access point.
- Emergency Vehicle Access: Owner, at its sole cost and expense, shall design, construct, and to the extent within the Property, maintain permanent emergency vehicle access roads (EVA) through the Property to provide access to the Keene Ranch subdivision, at approximately the location as referenced in the PDP. In addition, provided that the Twin Oaks subdivision approves same via a written instrument reasonably acceptable to Owner and the Town, Owner shall, at its sole cost and expense, design and construct a permanent emergency vehicle access for the Twin Oaks subdivision at or near the existing Clarkes Circle.
- Northern Dawson Trails Boulevard: The Master Developer, at its sole cost and expense, shall construct, at a minimum, two (2) lanes of Dawson Trails Boulevard from the northern terminus of the Crystal Valley Interchange (CVI) project north to Plum Creek Parkway, no later than when traffic counts on the west side of CVI exceed 25,000 vehicle trips per day. The remaining two (2) lanes of the Northern Dawson Trails Boulevard shall be constructed by the Master Developer when traffic volumes

reach 12,000 vehicle trips per day north of the Project or per the Phasing Plan, whichever occurs first.

- Southern Dawson Trails Boulevard: Town shall be responsible for the entire cost to design and construct a portion of Dawson Trails Boulevard from the Crystal Valley Interchange south to the southern boundary of Dawson Trails PD. Master Developer is responsible for future widening of the Southern Dawson Trails, per the Phasing Plan.
- Crystal Valley Interchange (CVI): At the time of execution of this Agreement, the estimated cost of the Crystal Valley Interchange (CVI) Project is \$118,000,000.00. The cost sharing of the CVI project is set forth as follows:
  1. The Master Developer shall be responsible for contributing \$50,000,000.00 to the cost of building the CVI Project.
  2. The Town and the County funding is estimated to total approximately \$50,000,000.00, and
  3. Other funding sources, including but not limited to, grants, currently estimated to total approximately \$18,000,000.00.
- Twin Oaks Entrance: Master Developer, at its sole cost and expense, shall design and construct the Twin Oaks Entrance and the entry street located within the Town of Castle Rock, serving the County properties located on Twin Oaks Road and Clarkes Circle.
- Public Improvements Participation: Concurrent with, and as a condition of, the recordation of the first Plat on the property, the Master Developer shall pay to the Town the pro rata share of the total estimated costs of the following improvements:
  1. 34.9% of the cost of a traffic signal at the intersection of Plum Creek Parkway and Northern Dawson Trails Boulevard, and
  2. 24% of the cost of right turn lanes at the southbound entrance ramp from Plum Creek Parkway to Interstate 25.

### Public Lands and Improvements

- Required Dedication: All Public Lands shall be conveyed to Town, at no cost to Town (i) with the first Plat in which the Public Land tract lies, or (ii) with the first Plat adjacent to the Public Land tract, whichever occurs first; with the exception that the Public Land tract(s) described in the map and legal description attached to the DA as Exhibit 4, shall be conveyed to the Town upon the execution of this Agreement.
- Wildland Urban Interface Mitigation: All Public Lands and other parcels to be conveyed to the Town shall be assessed, at no cost to the Town, by a professional that is familiar with Wildland Urban Interface (WUI) mitigation. This assessment shall be provided to

the Life Safety Division of the Fire Department for review to determine if any treatments are necessary to meet the current Community Wildfire Protection Plan. If so, the Master Developer shall contract with a competent contractor that is familiar with WUI mitigation to perform all identified treatments for all Public Lands prior to conveyance and acceptance by the Town.

- Fire Station Conveyance and Funding: Owner shall dedicate Public Land to the Town for a fire station site as shown on the PDP. At the time that the 1,400<sup>th</sup> residential building permit, or a lesser unit amount as determined at the sole discretion of the Fire Department if the development has permits issued for age-restricted, assisted living or skilled nursing beds, is to be issued the Master Developer shall remit to the Town two million dollars (\$2,000,000.00) to be used for the design, construction and equipping of the fire station.

At the time that the 2,500<sup>th</sup> residential permit is to be issued, the Master Developer shall at its sole expense, extend to the applicable Public Land's boundary, water, wastewater, and stormwater utilities and streets (provided that such fire station is situated adjacent to a street required to be constructed by Master Developer as part of the applicable Plat, SDP, or SIA) of sufficient capacity and/or quantity as necessary to serve Public Lands for a fire station as part of the applicable Phase improvements. The Master Developer shall at this time also remit to the Town an additional two million dollars (\$2,000,000.00) to be used for the design, construction and equipping of the fire station.

- Mobility Hub: Owner shall dedicate no less than five (5) acres of Public Land to the Town for a Mobility Hub, as located and described on the PDP and shall extend water, wastewater, stormwater utilities, and streets with the applicable phasing improvements.
- Public Works Maintenance Yard: Owner shall dedicate Public Land to the Town for a Public Works Maintenance Yard, as included in the overall Public Land dedications as shown on the PDP. Master Developer shall extend water, wastewater, and stormwater utilities and streets to the applicable Public Land boundary.
- Water Treatment: Owner shall dedicate Public Land to the Town for two (2) well sites. Owner shall dedicate Public Land to the Town for a water treatment plant site.
- Trails: Master Developer shall, at its sole cost and expense, design and construct all onsite soft surface and hard surface trails, in conformance with the PDP.

### **Budget Impact**

The Dawson Trails Development Agreement formalizes the developer/owner's financial obligations to adequately address impacts of the development on Town infrastructure and services.

## **Finding**

Staff finds that the proposed obligations outlined in the Dawson Trails Development Agreement are adequate to support the major PD amendment and the proposed Dawson Trails Planned Development.

## **Recommendation**

Staff recommends approval of the Dawson Trails Development Agreement and Vesting a Site Specific Development Plan through October 6, 2052.

## **Proposed Motions**

Town Council voted 7-0 to approve the proposed Dawson Trails DA with vesting on 1<sup>st</sup> reading at a public hearing held on August 16, 2022.

### **Option 1: Approval**

*"I move to approve Ordinance No. 2022 - 018, as presented."*

### **Option 2: Approval with Conditions**

*"I move to approve Ordinance No. 2022 - 018, with the following conditions:"* (list conditions)

### **Option 3: Continue item to next hearing (need more information to make decision)**

*"I move to continue this item to the Town Council meeting on [date], 2022, at [time]."*

## **Attachments**

Attachment A: Ordinance